

Fact Sheet

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825.

Communists Expose Economic Aims
In Developing Countries

A vituperative debate between Moscow and Peking over aid to developing countries has emerged from the heightened Sino-Soviet rivalry for influence in Africa and Asia. Unable to compete with the size and scope of the Soviet aid program, the Chicomus have launched a two-pronged offensive to discredit the quality and intent of Soviet aid and to promote their own image as a foreign aid donor. Moscow has responded by defending Soviet aid activities and minimizing the Chinese assistance programs.

During his trip to Africa and Asia in early 1964, Chou En-lai defended the foreign aid program of Communist China:

Our mutual help is the kind that exists between friends who are poor and face similar problems, and is not 'aid' that is used by strong, big powers to bully the weak and small. Our mutual help is at present small in scale, yet is reliable, practical, and conducive to the independent development of the countries concerned. With the development of construction in our respective countries, our mutual assistance will daily grow in quantity and scope.¹

He advanced "Eight Principles" of Chinese aid which, he asserted, govern China's economic and technical assistance program. These principles are designed not only to cast Chinese aid in the most favorable light but to throw suspicion on the motives of the Soviet program as well to undermine its appeal to the less developed countries. Chinese aid, Chou contended

- 1) is based on "the principle of equality and mutual benefit" and is never regarded as "a kind of unilateral alms,"
- 2) "strictly respects the sovereignty of the recipient countries, and never attaches any conditions or asks for any privileges,"
- 3) is granted "in the form of interest-free or low-interest loans . . . to lighten the burden of the recipient countries as far as possible,"
- 4) intends not to make recipients dependent on China "but to help them embark step by step on the road of self-reliance and independent economic development,"
- 5) is directed toward projects "which require less investment while yielding quicker results" so that recipients may "increase their income and accumulate capital,"

¹Peking Review, 1 May 1964

- 6) guarantees "the best quality equipment and material of its own manufacture at international market prices,"
- 7) "sees to it that the personnel of the recipient country fully master techniques," and
- 8) forbids Chinese experts to make "any special demands or enjoy any special amenities" but demands they have "the same standard of living as the experts of the recipient country."²

Like Chou En-lai, Khrushchev used his visit to the UAR in May to publicize and defend Soviet aid to developing nations. In a speech reported in Pravda and Izvestia, the Soviet leader argued:

Our people support the national-liberation struggle of peoples not only with words but also with deeds, including arms and aid. And we do this completely unselfishly. But I will be frank, we are doing this for a definite purpose, which coincides with the interests of the peoples who are struggling for their national independence, for the strengthening of their sovereignty, their economy . . . to unite in the struggle against imperialism, against the aggression of the monopolies, against the old and new colonialists We come as friends, as brothers.³

The dialogue assumed new momentum in June when the Chinese seized the opportunity to attack Soviet foreign aid at two separate Afro-Asian meetings. In a speech to the second Asian Economic Seminar in Pyongyang, North Korea, the head of the Chinese delegation warned the 34 Afro-Asian nations represented of the "great power, chauvinistic, and national-egotist manner" in which the "modern revisionists" extend economic aid.

In their economic exchanges with the Asian and African countries, there are often cases in which they have no respect for these countries' independence and sovereignty and flagrantly interfere in their internal affairs; they do not sincerely help the Asian and African countries develop their national economies, but demand that these countries become the suppliers of raw materials for them and even control the economy of other countries; they do not trade at reasonable and mutually beneficial prices, but reduce the prices of imports while raising the prices of exports; they do not respect the wishes of the other party nor take into consideration its needs, but impose their will on it.⁴

In an obvious allusion to China's own experience with Soviet aid, the delegate from Peking added; "they have even gone so far as to cancel and withdraw experts and tear up contracts as a means of applying pressure." He warned developing countries that the Soviets "sometimes provide equipment while withholding technical knowledge, trying all they can to make the Asian and African countries dependent on them."

²Peking Review, 1 May 1964

³Pravda, Izvestia, 28 May 1964

⁴Pyongyang, Workers Daily, 22 June 1964

At an Economic Preparatory Meeting for the Second Afro-Asian Conference (II Bandung) held in Geneva the same month, the Chinese delegate reiterated Peking's "Eight Principles" of foreign aid, and in a speech interspersed with references to "we newly independent Afro-Asian countries" he defended the Chinese aid program.

We always deem it our bounden internationalist obligation to support other Afro-Asian peoples who are engaged in struggles. We always consider assistance is mutual. We have done as much as our capacity permits to help other Afro-Asian countries develop their national economies and to strengthen mutual assistance and cooperation with them. But at present China's economic level is not high. What we have been able to do is limited. Having attained independence earlier and with such a great manpower, China logically ought to make more of a contribution to the struggle of Afro-Asian peoples for winning and safeguarding national independence. What we have so far done falls far short of what we should have done. But we are sincere.⁵

On 12 July, Izvestia delivered a sharp rebuke to the Chinese effort to "defame, blacken and slander" Soviet foreign aid. China's "Eight Principles," the author alleged, serve one "unseemly" aim -- "that of discrediting the disinterested assistance of the Soviet Union and of other socialist countries to young national states." The article cited facts to demonstrate that Chinese foreign aid is low in quantity and quality. The USSR and other CEMA countries are rendering economic and technical aid to 45 developing countries -- 16 Asian, 18 African, and 11 Latin American -- while the CPR renders aid to only 18 -- 8 Asian and 10 African. The Chinese are helping these countries build 100 facilities, while CEMA countries are building 1223 plants and facilities. Moreover, "non-observance of aid schedules by the Chinese has become a common thing." Projects have fallen far behind schedule in Nepal, Guinea, Cambodia, Burma, and Indonesia. Out of the 100 projects which the Chinese pledged to build, there have actually been built only five industrial plants, three hospitals, and a few facilities. Moreover, the plants supplied by Peking often fall short of international standards. Last year, for instance, the CPR was forced to give up building a metallurgical plant in Cambodia because of the inferior surveying work done by Chinese specialists. Despite the "flowery declarations of the Chinese leaders about aid to new states," Izvestia concluded, such people will judge their real friends "not by their words but by their deeds."⁶

In a radio commentary on 3 August, Moscow continued its protest of the Chinese attack and offered additional evidence to demean the Chinese assistance program.

Their efforts to belittle Soviet aid and that from other socialist states and unduly exaggerating the importance of China's aid has a definite purpose. It is intended to hinder the friendship of the new Afro-Asian states with the Soviet Union and the other European

⁵Peking Review, 26 June 1964

⁶Izvestia, 12 July 1964

socialist countries . . . to convince the Afro-Asian people that the Chinese leaders are their only friends. But constant repetition will not make it more convincing.⁷

The commentator analyzed the type of project the Chinese program assists -- textile, paper, pulp, and plywood -- which, he alleged, "do not solve the problem of building up an independent economy." He cited the Chinese failures to meet deadlines and concluded with the suggestion that "the Chinese leaders either underestimated their national economic possibilities or deliberately ignored them and agreed to help the newly emerging states for the sake of demagogic propaganda."

Aid to developing countries remains one of Moscow's most effective weapons in its struggle with Peking for supremacy in Asia and Africa. Communist China cannot now, or in the foreseeable future, approach the scope and depth of the Soviet program. The Chicom's only recourse is a frontal assault on the "true motives" of Soviet foreign aid, playing on the latent apprehensions and mistrust of many of the less developed countries toward the great power. It can be expected that international forums, particularly Afro-Asian conferences, will become major arenas for the debate over Communist aid activities and the struggle between Moscow and Peking for influence in Asia and Africa.

⁷Valentin Dmitriyev speech, Moscow Radio to Southeast Asia and Australia, 3 August 1964.